

JJ ARCH LLC
88 University Place, Floor 2
New York, NY 10003

August 31, 2023

Jared Chassen
20 Connor Court
Irvington, New York

Re: JJ ARCH LLC – Capital Call for Ongoing Operations and Demand Letter

Dear Jared Chassen:

Reference is hereby made to the Limited Liability Company Operating Agreement of JJ ARCH LLC (the “Company”), dated as of December 11, 2017, and JJ ARCH LLC Amendment to Operating Agreement dated as of May 22, 2021 (the “LLC Agreement”). All capitalized terms used herein shall have the same meanings herein as in the LLC Agreement unless otherwise defined herein.

This notice constitutes a Capital Call Notice in accordance with Article 4 of the LLC Agreement. Pursuant to Section 4.2 (b) of the LLC Agreement, the Managing Member has reasonably determined that additional funds, in an aggregate amount of \$1,241,230 (“the Capital Call Amount”) are required to reimburse the Managing Member by the Non Contributing Member or a Subsidiary for proceeds to cover repayment of debt, debt service, and operations of the business and properties.

The attached payment schedule prepared by you shows an imbalance of \$741,230 as of approximately 8/1/2023 until further reconciliation can occur. These funds are to balance 50/50 for 225 HPR, 550 Met, 1640, 1640 Motors, and 146 E 89th. Since notice has been provided on several occasions prior, the Non-Contributing Member will have deemed the Capital Call as a Default Loan to the Contributing Member that will bear 12% interest and will be governed by Section 4.2 (d) of the LLC Agreement.

Further, as you are aware the CNOB Line of Credit of \$1,000,000 that was made to you and me (50/50 in LLC entities) was paid off entirely by me (LLC entity) on 6/5/23. 50% of this payoff was allocated to you and is an additional member loan of \$500,000 as of that date.

You are **hereby demanded** to return to JJ Arch LLC the unauthorized amounts that were drawn from the FRB accounts on 8/9/23 for \$25,000 and on 8/4/23 for \$9,400. The required payment due is **\$34,400**. Please wire the required capital in immediately available funds to the Company account described in the enclosed wire instructions no later than **September 1, 2023** or further legal action must be taken.

You are **hereby demanded** to return to JJ Arch LLC the unauthorized amounts that were drawn from the FRB accounts on 8/1/23 for \$70,500 as the 88 Schwenks closing distribution was not properly allocated per the Capital accounts in the transaction. The required payment due is


\$70,500. Please wire the required capital in immediately available funds to the Company account described in the enclosed wire instructions no later than **September 1, 2023** or further legal action must be taken.

Nothing contained herein shall be construed as a settlement or offer regarding the litigation of NYSIF Simpson et al., vs. Chassen at al., Supreme Court, NY County, Index 158055/2023.

Please contact jsimpson@archcre.com with any questions.

Yours truly,

JJ ARCH LLC

By: 
Name: Jeffrey Simpson
Title: Authorized Signatory

To: jchassen@archcre.com

CC: jaredchassen@gmail.com